

LOS ANGELES CITY PLANNING DEPARTMENT  
RECOMMENDATION REPORT

CITY PLANNING COMMISSION

**DATE:** December 14, 2006      **CASE NO:** CPC 2006-10077-CA  
**TIME:** After 3:00 p.m.      **CEQA:** ENV 2006-10078-CE  
**PLACE:** Los Angeles City Hall      **LOCATION:** Citywide  
200 N. Spring Street      **COUNCIL DISTRICTS:** All  
Room 1010      **PLAN AREA:** All  
LA, CA 90012

**PUBLIC HEARING REQUIRED**

**REQUEST:** Amendments to Sections 12.95.2, 47.06, 47.07, 151.09 and 163.05 of the Los Angeles Municipal Code.

**SUMMARY:** Five proposed ordinances that will mitigate the impacts apartment demolition and conversion have on tenants and on the City's rental housing stock. The ordinances:

- Create an improved tenant relocation assistance program and an increased amount of tenant assistance payments
- Establish an annual cap on condominium conversions
- Provide relocation assistance payments to tenants who voluntarily move out of a unit proposed for condominium conversion
- Increase the Rental Housing Production fee
- Establish a new fee and program to monitor compliance with tenant relocation assistance requirements when buildings are demolished.

**RECOMMENDATION:**

1. **Adopt** the staff report and the findings as the Commission's report on the subject.
2. **Adopt** the attached findings.
3. **Approve** the proposed attached ordinances (Appendices E - I) and recommend their adoption by the City Council
4. **Adopt** the Categorical Exemption for the Code Amendments

  
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**ADVICE TO PUBLIC:** Written communications may be mailed to the *Commission Secretariat, 200 North Main Street, Room 532, Los Angeles, CA 90012* (Phone No. 213/978-1300). While all written communications are given to the Commission for consideration, the initial packets are sent to the week prior to the Commission's meeting date. If you challenge these agenda items in court, you may be limited to raising only those issues you or someone else raised at the public hearing agendized herein, or in written correspondence on these matters delivered to this agency at or prior to the public hearing. As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability, and upon request, will provide reasonable accommodation to ensure equal access to this programs, services and activities. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or other services may be provided upon request. To ensure availability of services, please make your request no later than three working days (72 hours) prior to the meeting by calling the Commission Secretariat at 213/978-1300.

## **Summary**

Since 2004 the number of condominium conversions in Los Angeles has increased as a result of the spike in the housing market. Concerns have been raised regarding the impact these conversions are having on both the City's rental housing stock and on the tenants who are displaced in the process. The Council's Housing, Community and Economic Development Committee (HCED) directed the City Planning Department, the Housing Department and the City Attorney to adopt a number of specific measures to address these impacts. Some of the measures require code changes that necessitate City Planning Commission approval and are contained in this report; some require procedural changes and are also discussed in this report; and some involve legal issues which will be addressed in a report by the City Attorney to the HCED Committee.

The issues and proposals that are the subject of this report are the following:

1. A proposed ordinance to create an Improved Tenant Relocation Assistance program and an increased package of assistance payments (Appendix E)
2. A proposed ordinance to create an annual cap on condominium conversions (Appendix F)
3. A proposed ordinance to require the payment of relocation assistance monies to tenants who voluntarily move out of a unit proposed for condominium conversion (Appendix G)
4. A proposed ordinance to increase the Rental Housing Production fee from \$500 to \$1,492 (Appendix H)
5. A proposed ordinance to establish a new fee and program to monitor compliance with tenant relocation assistance requirements when buildings are demolished (Appendix I)
6. An approach to implement two Municipal Code findings when considering condominium conversion applications [the 'Vacancy Rate' finding and the 'Cumulative Effect on the Rental Housing Market' finding in Section 12.95.2(f)(6)]

## **Findings**

The City Planning Department recommends that the City Planning Commission find that:

1. In accordance with Charter Section 558 (b)(2), the proposed ordinances (Appendices E, F, G, H and I) are in substantial conformance with the purposes, intent, and provisions of the Housing Element of the General Plan. Specifically, Policy 1.1.8 requests that the City encourage and support public and private programs to increase the availability of affordable rental housing for all city residents.

These ordinances will discourage the demolition, and conversion of affordable rental housing by reducing incentives to convert and demolish them, and by limiting the number of conversions each year, which is in keeping with the need for housing for all income levels, as stated in the General Plan; and

2. In accordance with Charter Section 558 (b)(2), the proposed ordinances (Appendices E, F, G, H and I) are in substantial conformance with the purposes, intent, and provisions of the Housing Element of the General Plan. Specifically, Policy 1.3.1 requests that the City take an active role in broadening the accessibility and availability of special needs and service-enhanced housing for all City residents, including the homeless, elderly, persons with mental, physical, and developmental disabilities, persons with drug and alcohol dependency, large families, female-headed households, and persons living with HIV/AIDS.

These ordinances will require that additional relocation services be provided to those residents with special needs who must relocate as a result of condominium conversion or demolition; and

3. In accordance with Charter Section 558 (b)(2), the proposed ordinances (Appendices E, F, G, H, and I) are in substantial conformance with the purposes, intent, and provisions of the Housing Element of the General Plan. Specifically, Policy 2.5.2 requests that the City discourage development, demolition, and conversions that contribute to the loss of affordable housing and encourage one-for-one replacement (based on bedroom count) of demolished affordable units.

These ordinances will discourage the demolition, and conversions of affordable rental housing by reducing incentives to convert and demolish them, which is in keeping with the need for housing for all income levels, as stated in the General Plan. Additionally, the increased rental housing production fee will assist the City in replacing the affordable housing that may be lost as a result of conversion or demolition; and

4. In accordance with Charter Section 558 (b)(2), the proposed ordinances (Appendices E, F, G, H and I) are in substantial conformance with the purposes, intent, and provisions of the Housing Element of the General Plan. Specifically, Policy 4.1.2 requests that the City cooperate with public and private entities in seeking innovative funding sources and implementing programs to produce affordable and special needs housing.

The ordinance attached as Appendix G will increase the Rental Housing Production fee, which will provide additional funds to produce affordable housing. The ordinance attached as Appendix E will require that the City contract with private Relocation Assistance Providers to deliver high level services to tenants, including moving, assistance in finding new housing, and meeting other tenant needs that arise as a result of a condominium conversion or apartment demolition; and

5. In accordance with Charter Section 558 (b)(2) that the proposed ordinances (Appendices E, F, G, H and I) will have no adverse effect upon the General Plan, specific plans, or any other plans being created by the Department of City Planning because the proposed ordinances are consistent with the General Plan and carry out the General Plan policies and objectives discussed above ;and
6. In accordance with Charter Section 558 (b)(2) that the proposed ordinances (Appendices E, F, G, H and I) will be in conformity with the public necessity, convenience, general welfare and good zoning practice. These ordinances will provide reasonable relocation funds and assistance for eligible tenants when their affordable rental housing units are removed from the market as a result of demolition or condominium conversion; and
7. That the proposed ordinances (Appendices E, F, G, H and I) are exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 2, Subsection (m) of the City's CEQA Guidelines (ordinances which do not of themselves have an impact on the physical environment). Each individual project will have its own environmental clearance.



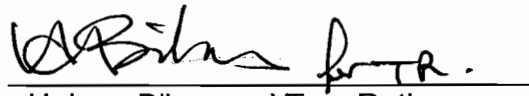
S. GAIL GOLDBERG, AICP  
Director of Planning

REVIEWED BY:

PREPARED BY:



Jane Blumenfeld,  
Principal City Planner



Helene Bibas and Tom Rothmann  
City Planners

## STAFF REPORT

### Background

During the past year, concerns have been raised about the impacts of condominium conversions on the rental housing stock and on low and moderate-income renters throughout the city. The number of condominium conversion approvals has increased over the last few years, from 53 units in 2001 to 1,624 units in the first 7 months of 2006. In May 2006, the Housing, Community and Economic Development (HCED) and Planning and Land Use Management (PLUM) Committees held three joint public hearings to discuss issues related to conversions. In August 2006, the City Council adopted a motion (CF 06-1325, Appendix A) directing the Housing Department (LAHD), the Department of City Planning (DCP) and the City Attorney to consider a number of programs and policies to alleviate impacts on displaced tenants, reduce the number of condominium conversions, and to support rental housing production.

In response, the departments reported to the HCED Committee on October 31, 2006, recommending that, while several of the directives appear to conflict with the State's Ellis Act, others could be implemented with the adoption of new ordinances. The departments requested additional time to do further research and prepare final ordinances for the Council's consideration. HCED instead instructed LAHD and DCP with the assistance of the City Attorney to immediately prepare final ordinances implementing the Committee's proposals and to present them to the City Council at its final meeting of the calendar year, December 20, 2006. Some of the ordinances require City Planning Commission approval, which is why you are considering this report today.

In addition, HCED instructed the departments to consider additional suggestions related to condominium conversions and demolitions that are contained in a letter from Councilmember Rosendahl to Councilmembers Reyes and Wesson, dated May 22, 2006 (Appendix B) and in the "Housing Advocates' Call to Action" (Appendix C). Councilman Rosendahl's letter suggests that the City consider a cap on condominium conversions. The "Call to Action" requests the City to withhold demolition permits until tract maps are approved and to create an affordable inclusionary requirement for new housing where units have been demolished.

LAHD and DCP staff with the assistance of the City Attorney has worked together over the past several months to research the very complex issues involved in the Committee's directives and to develop the most effective response. The result is the following set of proposals for your consideration:

1. A proposed ordinance (Appendix E) that:
  - creates a new program to provide improved, more reliable, and more equitable tenant relocation assistance for eligible tenants displaced as a result of condominium conversion or demolition;
  - increases the amount of relocation assistance eligible tenants receive when an apartment is converted to a condominium or a building is demolished;

- consolidates all tenant relocation provisions into two sections of the Code, Sections 47.06 (condominium conversions) and 47.07 (demolitions), to reduce confusion and internal conflicts.
2. A proposed ordinance that establishes an annual cap on condominium conversions (Appendix F)
  3. A proposed ordinance that requires building owners to provide relocation assistance payments to tenants who voluntarily move out of a unit proposed for condominium conversion (Appendix G)
  4. A proposed ordinance that increases the Rental Housing Production Fee from \$500 to \$1492 (Appendix H)
  5. A proposed ordinance that establishes a new program to monitor compliance with tenant relocation assistance requirements when buildings are demolished and a fee for the program's administration (Appendix I)
  6. An Advisory Agency implementation policy to incorporate vacancy rate data and a finding regarding the cumulative impact on the rental housing stock when considering condominium conversion applications.

Other committee directives were previously addressed in LAHD and DCP's joint October 31, 2006 report to HCED and require no further action, including a recommendation to establish an Apartment Construction Incentives Task Force, a request to expedite the preparation of the Housing Element and Transportation Element of the General Plan, and the development of homeowner purchase assistance programs. The remaining issues will be addressed by the City Attorney in a report to HCED prior to December 20, 2006, including the ability of the City to institute lease guarantees and the ability of the City to withhold demolition permits.

## **Discussion**

### **1. Improved Tenant Relocation Assistance and Increased Assistance Payments**

Current regulations which are found in various sections of the Municipal Code (Sections 12.95.2, 47.06, 47.07, 151.09 and 163.05.) require that an owner compensate tenants who are displaced by a condominium conversion or demolition and provide certain specified services to assist them in relocating to a new home. The current code requires the payment of \$8,450 to 'qualified tenants' (defined in the code as those over the age of 62, disabled, or having dependent children) and \$3,550 to all other tenants. In addition, the landlord must provide each tenant with a list of alternative available rental units, transportation assistance, and when required, specialized transportation services (such as an ambulance) to inspect potential replacement units.

In response to the Council motion, the Housing Department researched the needs of displaced tenants, improved means of meeting those needs and the costs of providing services that best meet those needs. Their staff analyzed average monthly rental rates, security deposits, moving expenses, and other needs and costs, which are detailed in

their report attached as Appendix D and are the basis of the changes recommended in the proposed ordinance attached as Appendix E. Based on LAHD's research, staff recommends increasing relocation payment amounts to \$12,615 for qualified tenants and \$4,575 for all other tenants. It is further recommended that the amounts be adjusted annually based on the consumer price index, CPI - All Urban Consumers, averaged for the 12 month period ending September 30 of each year as determined by LAHD.

The proposed ordinance also reflects LAHD's recommendation to establish a new and improved program to implement tenant relocation services, modeled after one that has been successfully implemented in West Hollywood. Currently, under the City's procedures, each subdivider is individually responsible for providing the required services to each tenant. The new program would create a "Tenant Relocation Contractor" that would be the City's contractor, responsible for providing all required tenant relocation services to all eligible tenants. This would assure that benefits are provided at a high standard and that they are provided equitably across the City. By requiring a single payment for all relocation assistance prior to the issuance of a demolition permit, the City would also be able to monitor compliance and assure that all tenants receive the assistance to which they are entitled.

The proposed amendment requires subdividers to pay a fee to the City that will go directly to the contracted service provider and an administrative fee for LAHD to administer this contract. The service provider will conduct an initial interview with each tenant to identify his/her specific needs; develop a plan for replacement housing and for supportive services during the tenant's active search, such as bi-weekly referrals to vacant units (for up to 3 months), and will conduct a closing interview to determine the outcome of the housing replacement search. Qualified tenants will receive additional assistance to identify alternative housing options, assistance with paperwork and coordination with government or private agencies, and transportation assistance with their housing search. The fees for these services, based on LAHD's research, would be \$671 for each unit occupied by a qualified tenant and \$431 for each unit occupied by other tenants including a \$31 per unit administrative fee. These fees are reflected in the proposed ordinance.

## **2. Cap on Condominium Conversions**

Several California cities have adopted an annual cap on condominium conversions, including Berkeley, San Francisco, Oakland, and Beverly Hills. Staff has researched the regulations of these cities to determine the methodology each used in establishing their cap. Inasmuch as none of these cities was able to convey either a formula or methodology that was used as a mathematical basis for the cap that was ultimately adopted, staff has developed an approach and proposes a code amendment to implement it (Appendix F). However, it is staff's view that further research is needed to better understand the long-term effects of this policy on the City's entire rental housing stock.

Data from 2001-2006 regarding condominium conversion activity indicate that through July 2006, a total of 4,099 apartment units have been approved for conversion to condominium units, yielding an annual average of 734 units. Because these years reflect those in which there were very few conversions and those in which there were

many conversions, staff proposes that the City use this average as an annual cap for conversions from apartments to condominiums. In addition, the ordinance proposes that the cap be implemented through a quarterly lottery and that every quarter one-fourth of the 734 units be approved from two pools of applications: one pool of projects in which the applicants have agreed to set aside 20 percent of the units for families of low- or very-low incomes and a second pool of projects which are 100 percent market rate. The lottery would draw first from the pool of projects with the affordable set-aside units and second, from the pool of market rate projects.

### Consequences To Consider In Adopting A Condominium Conversion Cap

Condominium conversions have a negative impact on tenants and on the rental housing stock and at the same time provide moderate (and sometimes low) -income households the least expensive access to home ownership opportunities. The City as a whole has a much lower home-ownership rate than the State, 39 percent versus 57 percent, and both rates are far below the national home-ownership rate of 69 percent. For this reason the City Council, the City Planning Commission, and numerous housing task forces over the years have directed DCP and LAHD to create mechanisms to increase home ownership opportunities in the City. Because condominium conversions are the least expensive means for families and individuals to transition into home ownership, the directives to reduce condominium conversions (despite the competing objectives) inherently conflict with the directives to increase home ownership opportunities. In fact, the very-low home ownership rate explains why Councilman Parks introduced a motion on February 11, 2005, directing staff to find ways to increase condominium conversions in his district, which has one of the lowest home ownership rates in the City and no condominium conversions at all. Because the home ownership rate varies widely between communities (from approximately 30% to 70%) it is important to consider the potential impacts of a condominium conversion cap on ownership rates, and the City's ability to create a housing market that has a healthy balance of rental and ownership opportunities across the City.

Staff has explored the programs in those California cities which have adopted condominium caps to identify the lessons learned from their efforts to address the impacts of condominium conversions on tenants and on the rental housing stock. This includes three cities with condominium conversion caps (San Francisco, Berkeley, and Beverly Hills) as well as San Diego where a cap was considered but not put in place.

Planning staff in these cities have told us that existing code and development standards generally restrict the number of condominium conversions. For example, requirements such as parking are difficult to incorporate into existing sites and can render a conversion infeasible. Strengthening standards in order to ensure high quality units can also result in making conversions infeasible. Some cities find that no condominium conversions are filed, or that those filed do not come close to the number allowed under the cap.

When demand for for-sale housing is high, the market will find alternatives to condominium ownership when restrictions on converting apartments are enacted. For example, in San Francisco buildings are being converted to Tenants In Common (TIC) ownership when a property is prohibited from converting under the City's cap and lottery system which also exempts owner-occupied duplexes. In Los Angeles, Planning staff



is aware of efforts to convert rental properties to TICs. California cities have no role and no control regarding such changes in the ownership structure of a building.

Another market response to restricted opportunities for conversion is demolition of existing rental properties for the purpose of building new condominium projects. This can lead to the loss of older structures which typically have the most difficulty meeting current zoning and development standards and which are typically the most affordable. Beverly Hills has addressed this problem by identifying such buildings as "Character Contributing" buildings and relaxing standards for their conversion so that they are not demolished.

Protecting the City's older rental stock from condominium conversion may also lead to a mismatch between unit sizes available in the rental market and the household size of the renter population. Much of the older rental stock is comprised of studio and 1-bedroom units, while the newer stock tends to have 2 or more bedrooms. Thus, a cap on condominium conversions could have the effect of encouraging the newer stock to convert because it is easier for these buildings to meet current standards, leaving the rental market with an abundance of smaller units, which are less suitable for families.

### **3. Providing Relocation Assistance Payments To Tenants Who Voluntarily Move Out Of A Unit Proposed For Condominium Conversion**

Current regulations require subdividers to provide relocation payments (for moving, etc.) to all tenants who move out of an apartment proposed for conversion who were tenants when the initial notice to convert was issued and who are still tenants when the preliminary map is approved. Such tenants are eligible for payments only if they are still tenants when the building actually converts and they receive a notice to terminate their tenancy. However, subdivision maps remain in effect for ten years and building owners may not actually convert for months or years after receiving tentative map approval. As a result, tenants are left in a perennial state of uncertainty, not knowing when they might be evicted and how long they might be able to remain in their building. If they find another housing situation during that time and move voluntarily, they are ineligible for relocation benefits under the current code.

Staff recommends that a subdivider who notifies tenants of his/her intent to convert and obtains a preliminary tract or parcel map approval, be required to provide relocation assistance payments to all tenants who have to move as a result, including those who move voluntarily. The proposed amendment requires payment at the time any tenant provides a notice of termination to the landlord once the building has been issued a preliminary tract or parcel map approval. This will reduce the level of uncertainty and provide benefits to all tenants displaced as a result of conversion. (Appendix G)

### **4. Rental Housing Production Fee**

The City Council directed staff to increase the Rental Housing Production Fee currently required as a condition of tentative map or preliminary parcel map approval. This fee was established by the City Council in 1979 for the purpose of developing affordable rental housing throughout the City. The funds derived from this fee are deposited in the

Affordable Housing Trust Fund and used to develop such housing. The fee was originally set at \$500 per unit in 1979 and has never been adjusted. Staff proposes to increase the fee to \$1492, which is the amount \$500 would be had it been increased with inflation since that time. Additionally, staff recommends that, once adopted, the new fee be adjusted annually based on the consumer price index, CPI - All Urban Consumers, averaged for the 12-month period ending September 30 of each year as determined by LAHD. The proposed ordinance (Appendix H) increases the Rental Housing Production Fee from \$500 to \$1 492 per unit based on the number of units in the project prior to conversion.

#### **5. Monitoring Compliance With Tenant Relocation Assistance Requirements When Buildings Are Demolished**

The Committee directed staff to find a way to monitor owner compliance with tenant relocation requirements to assure that all tenants receive the benefits to which they are entitled. LAHD staff proposes to develop and implement a program to require owners to provide proof of payment and an affidavit from tenants indicating that they received the required payments. If no affidavit is presented, the owner will be required to submit a declaration verifying that he/she has placed the requisite funds in an escrow account. The Department of Building & Safety will collect a fee of \$33.00 per unit on behalf of LAHD to pay for the administrative costs of this program. Prior to issuance of a demolition permit, Building & Safety will require clearance by LAHD, indicating compliance with this requirement. (Appendix H)

#### **6. Implementing the Vacancy Rate Finding and the Cumulative Effect on the Rental Housing Market Finding in Considering a Condominium Conversion**

In 1981 the City Council amended Section 12.95.2 (f) (6) of the Municipal Code, which governs condominium conversions, to permit the Advisory Agency to deny a condominium conversion when the following two findings are made:

1) The vacancy rate of a planning area in which the property is located is 5 percent or less and

2) The cumulative effect of the rental housing market in the planning area of successive residential or residential to commercial/industrial conversion projects (past, present and future) is significant. A finding of significant cumulative effect shall be based on the following factors: a) in the case of residential conversion projects only, the number of tenants who are willing and able to purchase a unit in the building; b) the number of units in the existing building prior to conversion; c) the number of units which would be eliminated in case conversion occurred in order to satisfy Municipal Code parking requirements; d) the adequacy of the relocation assistance plan proposed by the subdivider; and e) any other factors pertinent to the determination. "Vacancy rate" shall refer to the most current rate for multiple-family dwelling units as published by the Department of City Planning in its semi-annual Population Estimate and Housing Inventory, or other estimate or survey satisfactory to the Advisory Agency. "Planning Area" shall refer to those areas established by the Director of Planning for purposes of community planning pursuant to Section 11.5.6 of the Municipal Code.

The Advisory Agency suspended implementation of these provisions following the adoption of the Ellis Act that prohibits cities from denying landlords the ability to go out of the rental housing business.

However, in recent City Council hearings and Committee meetings regarding condominium conversions, staff was directed to once again implement this code section. In response, DCP proposes to take both short-term and long-term actions in order to assure a fair and rational approach to new projects as well as those that are in various stages of the application process.

The Advisory Agency will begin immediately to implement the vacancy rate finding using vacancy rate data received monthly from the Department of Water and Power. Together with LAHD, staff has reviewed both DWP data and M/PF YieldStar vacancy data to determine the most accurate and reliable data source. Neither set of data is perfect, but staff of both departments have agreed that the DWP data is an adequate indicator of vacancy by Community Plan Area.

The Advisory Agency will also begin immediately to implement the 'cumulative effect' finding on a case-by-case basis. However, in order to more accurately assess the impact condo conversions have on the rental housing market, Advisory Agency staff require technical assistance that is beyond the capacity of existing staff resources. The department intends to immediately engage a qualified economic consultant to provide advice regarding the implementation of this finding, including how best to measure the impact a condominium conversion has on the rental housing market, how to determine when that impact is significant, how to assess future housing markets, and what tools are available to measure the cumulative impact. If additional code amendments or General Plan amendments are required as a result of this effort, staff will report back to the Commission with appropriate recommendations.

### **Conclusion**

The number of condominium conversions has increased in many parts of Los Angeles over the past two years. Tenants have been dislocated and a portion of the affordable rental housing stock has been depleted. As a result, the City Council has directed the Department of City Planning and the Housing Department with the assistance of the City Attorney to develop a number of programs, policies, and code amendments to address the impacts. Staff believes that the proposals contained in this report will mitigate the impacts that condominium conversions and demolitions have on tenants and on the rental housing market.

CITY OF LOS ANGELES  
CALIFORNIA



ANTONIO R. VILLARAIGOSA  
MAYOR

FRANK T. MARTINEZ  
City Clerk

KAREN E. KALFAYAN  
Executive Officer

When making inquiries  
relative to this matter  
refer to File No.

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06-1325

August 25, 2006

Councilmember Reyes  
Councilmember Garcetti  
Chief Legislative Analyst  
City Administrative Officer  
City Attorney  
Los Angeles Housing Department

Community Redevelopment Agency  
City Planning Department  
Rent Adjustment Commission  
Department of Building & Safety  
Affordable Housing Commission

RE: CONDOMINIUM CONVERSIONS AND DEMOLITIONS, INCREASING THE RENTAL HOUSING PRODUCTION FEE, PROVIDING LONG-TERM LEASE GUARANTEES TO DISABLED AND SENIOR TENANTS, INCREASING INCENTIVES TO BUILD APARTMENTS, TENANT NOTIFICATION AND RELOCATION ASSISTANCE FOR DEMOLITIONS, PURCHASE ASSISTANCE PROGRAMS FOR DISPLACED TENANTS, AND RELATED CONSIDERATIONS

At the meeting of the Council held August 18, 2006, the following action was taken:

Attached report adopted.....	_____
Attached motion (-) adopted.....	_____
Attached resolution adopted.....	_____
FORTHWITH.....	_____ X
Motion adopted to approve committee report recommendation(s)...	_____ X
Findings adopted.....	_____
Negative Declaration adopted.....	_____
Categorically exempt.....	_____
Generally exempt.....	_____

City Clerk  
et



Your HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE reports as follows:

	<u>Yes</u>	<u>No</u>
Public Comments	<u>XX</u>	<u>—</u>

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to condominium conversions and demolitions, increasing the Rental Housing Production Fee, providing long-term lease guarantees to disabled and senior tenants, increasing incentives to build apartments, tenant notification and relocation assistance for demolitions, purchase assistance programs for displaced tenants, and related considerations.

Recommendations for Council action:

1. REQUEST that the City Attorney, with the assistance of the Planning Department:
  - a. Draft an ordinance within 90 days, increasing the Rental Housing Production Fee (LAMC Sec. 12.95.2) in the following manner:
    - 1). Residential buildings with less than 11 units will pay \$500/unit, with annual increases based on the Consumer Price Index- All Urban Consumers (CPI-U) for the Los Angeles-Riverside-Orange County Metropolitan Statistical Area (MSA) as calculated at the beginning of the fiscal year.
    - 2). Residential buildings with 11 units or more will pay \$1,500/unit, with annual increases based on the CPI-U for the Los Angeles-Riverside-Orange County MSA as calculated at the beginning of the fiscal year; all fees collected on applications with 11 units or more, above and beyond \$500/unit, will be used by the City to monitor evictions, relocations, and ensure compliance.
  - b. To report relative to the amounts of existing fees, for what these fees have historically been used, what department manages the accounts into which these fees are paid, if the two-tier system in the recommendation (\$500 per unit in complexes of 11 or less units, and \$1500 per unit in complexes with 11 or more units) is the best structure for this fee, and what purpose a fee increase would serve.
2. INSTRUCT the Los Angeles Housing Department (LAHD), in anticipation of enactment of the above requested ordinance, to report to Council within 60 days, on the feasibility of increasing the Rental Housing Production Fee, as well as anticipated costs for providing a program which monitors evictions, relocations, and ensure compliance.
3. INSTRUCT LAHD and the Planning Department, with the assistance of the City Attorney, to report back within 60 days on the feasibility of amending the Code to require applicants to provide long-term lease guarantees in the following manner:
  - a. With regard to condominium conversions, a two-year lease guarantee for the disabled residents or residents age 62 years and older as a condition for tract

map or parcel map approval; said report to address how these protections would be applied in cases of demolition, to determine whether the demolition would be postponed for the two years, and to determine what protections would be available to the tenant after the two-year lease expires.

- b. With regard to new condominium projects or demolitions, to provide a lease guarantee of one-year for disabled residents or residents age 62 years and older; said report to address how these protections would be applied in cases of demolition, and whether the demolition would be postponed for the one year, and to discuss the protections available to the tenant after the one-year lease expires.
4. REQUEST that the City Attorney, with the assistance of the Planning Department and LAHD, to draft an ordinance within 60 days to require review and sign off on all Department of Building and Safety demolition applications for all multi-family residential rental buildings, to ensure compliance with all sections of the Los Angeles Municipal Code (LAMC), including all provisions for protection of tenants; the Department of Building and Safety would also be required to ensure the application has provided the documentation necessary to ensure tenant protection.
  5. REQUEST that the Mayor's office, in consultation with the President of the City Council, the Chairs of the Housing, Community, and Economic Development and the Planning and Land Use Management Committees create an Apartment Construction Incentives Taskforce, to draft and submit a report within 120 days; members of said taskforce should include representatives of the Rent Adjustment Commission, Affordable Housing Commission, development community, affected City Departments, and other important stakeholders; and, to further REQUEST that said report contain recommendations and suggestions of incentives to encourage the construction of new multi-family rental residential buildings throughout the City.
  6. REQUEST that the City Attorney, with the assistance of the Planning Department, draft an ordinance within 60 days to amend Section 12.95.2, 47.06, and 47.07 of the LAMC so that its provisions are consistent and applied to tenants residing in buildings which are being converted to condominiums, or to be demolished.
  7. REQUEST that the City Attorney, with the assistance of the Planning Department, draft an ordinance within 60 days to amend 12.95.2 of the LAMC to provide tenants \$1,000 dollars for moving expenses in addition to their relocation assistance package.
  8. INSTRUCT LAHD to report to the Housing, Community, and Economic Development Committee within 90 days on the development of a Purchase Assistance Program specifically for tenants displaced from condominium conversions or demolitions, said report to consider:
    - a. The increased review of demolition applications for multi-family buildings.
    - b. The creation of an apartment construction incentives task force.
    - c. Clean up conversion and relocation ordinances.
    - d. Providing additional required funds for moving on top of required relocation benefits.

9. **DIRECT LAHD to create a purchase assistance program for tenants displaced by conversions, said report to include information on the Tenant Opportunity to Purchase Act (TOPA), how this is used in other cities, and what actions are needed for the City to implement TOPA.**
  
10. **REQUEST that LAHD and the City Attorney report back within 90 days, with:**
  - a. **Recommendations for procedures, fines, and self-sustaining financing for a program which ensures monitoring and enforcement of Ellis Act evictions, condominium conversions, and demolitions/new condominium construction.**
  
  - b. **Clarification as to what the City is doing now and what will change or be enhanced once the City provides a strategy for closing the loopholes between State and Federal Ellis eviction regulations.**
  
11. **INSTRUCT the Planning Department to:**
  - a. **Fast track the updates to the City's Housing and Transportation Elements of the General Plan, as well as the framework, in order to provide all City Departments with a comprehensive plan for population, housing, and transit growth in the City of Los Angeles.**
  
  - b. **Consider the placement of housing throughout the City, projecting a stable mix of for-sale and rental housing concentrations for all neighborhoods, emphasizing transit-oriented residential developments, and ensuring that the need for affordable housing will be met in the future.**

**Fiscal Impact Statement:** None submitted. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

**(The Planning and Land Use Management Committee waived consideration of the above matter.)**

**Summary:**

At its meeting held August 15, 2006, the Housing, Community, and Economic Development Committee considered the Chief Legislative Analyst report dated May 25, 2006 to the members of the Housing, Community, and Economic Development and Planning and Land Use Management Committees (attached to the Council file), relative to condominium conversion, along with the August 11, 2006 letter from Councilmembers Wesson, Reyes, Greuel, and Rosendahl (attached to the Council file), relative to the loss of rental and rent-controlled units to condominium conversions, demolitions, and new for-sale units in Los Angeles. During the public comment period, representatives of apartment owner associations and developers expressed concern over proposed regulations for condominium conversions but expressed support for new incentives for the development of new apartment building construction. It was suggested that the shortage of affordable housing units is a result of a lack of supply of such units. A suggestion was also made for the City to increase home-owner assistance programs for residents displaced from converted apartment buildings.

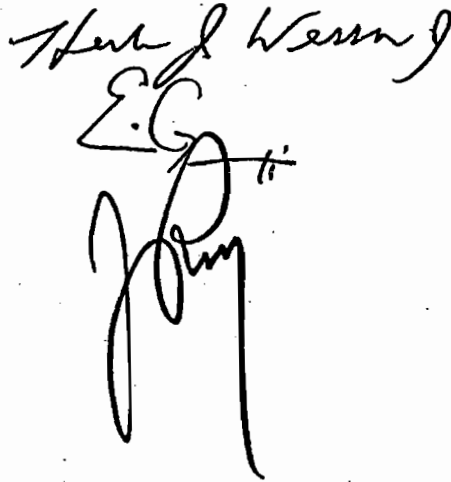
Tenant advocates and residents of rental housing expressed support for a citywide moratorium on condominium conversion. Displaced tenants are unable to find suitable housing at fair rents

in the communities they live. It was further stated that condominium conversions and speculation are also displacing middle-income tenants from their homes.

The Housing, Community, and Economic Development Committee recommended that Council approve the recommendations presented in the Wesson-Reyes-Greuel-Rosendahl letter, as amended to reflect additional requests for report back from Councilmembers Garcetti and Perry, as reflected above.

Respectfully submitted,

HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
WESSON:	YES
REYES:	ABSENT
CARDENAS:	ABSENT
GARCETTI:	YES
PERRY:	YES

JAW  
8/17/06

#061325.wpd

**ADOPTED**  
MOTION ADOPTED TO APPROVE COMMITTEE REPORT RECOMMENDATION  
AUG 18 2006

**LOS ANGELES CITY COUNCIL**

**FORTHWITH**





# BILL ROSENDAHL

City of Los Angeles  
Councilman, Eleventh District

Committees  
Chair, *Public Works*  
Vice-Chair, *Trade, Commerce & Tourism*  
Member, *Budget & Finance*  
Member, *Transportation*  
Member, *Ad Hoc Gang Violence & Youth Development*  
Member, *Ad Hoc Homelessness*

May 22, 2006

Dear Councilman *Ed* Reyes and Councilman *Hen* Wesson,

I want to thank you both for making the condominium conversion issue a priority for your respective committees. As you both know, conversions are a major issue in my district and I have been working since I was a candidate to find ways to maintain affordable housing within the 11<sup>th</sup> District. My staff has spent countless hours talking with housing advocates, studying the current laws and reading what has been published on the topic. As a result, I have compiled a list of issues that I feel should be looked at during these hearings to try to determine if they would work for Los Angeles.

Many of the current conversions have been enabled by the State's Ellis Act. As you know, the Ellis Act guarantees a landlord the right to go out of the business of being a landlord whenever they choose. However, the Ellis Act also preserves the City's "authority over land use, including the conversion of existing housing to condominiums or other subdivided interests" (CA Gov't Code §7060.7(a) and (b)). We need to make sure that our municipal codes balance the rights of landlords with the City's need to maintain affordable housing.

With that in mind, I respectfully ask you to consider the following ideas:

1. **A Conversion Cap:** A number of cities in California have an annual limit on the number of units that may be converted. The permits to convert are distributed on a lottery basis. I think, if we pursue a cap, that it should be implemented either by council district or by planning area and that there should be an exemption for projects with a significant affordable component.
2. **A Community Land Trust:** The city of Burlington, Vermont established a community land trust decades ago. It purchases land that is used to create permanent affordable housing. Several small land trusts have been established in Los Angeles. We should examine this idea to see if it would work in Los Angeles and if we can properly fund it.
3. **Vacancy Rate Provision:** §12.95.2 of the Los Angeles Municipal Code states that the Planning Department can deny a tract map if the vacancy rate for the planning area is below 5%. We are currently not using this existing law to slow conversions. We need to find out what needs to be done to start enforcing it.
4. **Fees:** I think it is important that the ones who profit from condominium conversions also pay the costs associated with it. We need to look at the relocation assistance fees to make sure that they are adequate, especially in light

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(213) 473-7011  
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West Los Angeles Office  
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Los Angeles, CA 90025  
(310) 575-8461  
(310) 575-8305 Fax




of rapidly rising rents in the region. Also, we should look at the Rental Housing Production Fee (LAMC §12.95.2i). It currently is set at \$500 per unit, which seems somewhat low given that other jurisdictions in California charge between 5-10% of the sales price of the condominium.

5. **Notice:** I would like to look at the notice that landlords are required to give to tenants prior to eviction to make sure that adequate time is given to find new accommodations. I would also like to require those notices to provide contact information for tenants' rights groups in the area.
6. **Code Cleanup:** Currently, the planning code can be confusing and contradictory. Specifically, the code sections covering both conversion and demolition (LAMC §§12.95.2, 47.06 and 47.07). We need to examine the code to make sure it is consistent and reflective of our values.
7. **Protecting the Elderly and Disabled:** A number of California jurisdictions, including Sacramento, Hayward, San Leandro and Berkeley have created protections for elderly and disabled tenants, ranging from long-term lease guarantees to prohibitions on eviction for owner move-in. We should look at these protections to see if they make sense for Los Angeles.

I present these topics to you not as answers to the problems, but as issues that should be examined in the public light. I appreciate your willingness to take on this issue and look for solutions. I look forward to helping you create a cohesive and consistent housing policy for the City of Los Angeles.

Best regards,

  
BILL ROSENDAHL  
Councilman, 11<sup>th</sup> District

## Seven Recommendations to Address the Loss of Rental Housing Due to Condos By Housing Advocates' Call to Action

Enact a condo conversion/ demolition/tract map approval moratorium<sup>1</sup> where rental housing is being lost, in order to enable an impact study on the loss of housing and the possible Fair Housing violations, which would lead to enacting ordinance changes that should include some of the following:

- Amend LA Municipal Codes §12.95.2 to direct the City Advisory Agency to disapprove tract maps if the citywide vacancy rate is 5% or less
  - Sacramento/ South San Francisco/Roseville/Santa Monica- Conversion not allowed if vacancy 5% or less
  - Beverly Hills- limits conversion to 1/2% of existing multifamily rental stock per year, and limits demolition to 1% of existing multifamily residential stock per year.
- Enforce/Strengthen LA Municipal Code §91.106.4.1 by requiring LADBS to withhold demolition and conversion permits until all necessary tentative tract maps are approved.
  - San Francisco- requires CUP for demolitions
  - Santa Monica- requires final permit for replacement housing before demolition permit granted
- Provide long-term lease guarantees with rent increase restrictions for low-income, disabled and families with dependent children
  - Sacramento- elderly/disabled/low-mod income offered 3 year leases, renewable 4x, increases limited to CPI after initial 2 year, and just cause eviction req'd.
  - San Francisco- elderly or disabled get lifetime lease
  - Berkeley- no eviction of elderly/low-mod income tenants
  - San Leandro - elderly/disabled receive lifetime lease (no rent increase for 2 yrs)
  - Hayward- elderly/disabled receive lifetime lease, families w/ minor children 2 year lease; just cause eviction req'd, rent increase limited to CPI.
- Provide low income residents financing by subdivider to purchase units and requirement that 50% percent of tenants will buy and/or have long term lease
  - Sacramento- low-mod tenants must be offered at affordable rate (35% income)
  - San Francisco- 40%+ of tenants must sign letter of intent to purchase or life term lease
  - San Leandro- 75% of tenants must indicate in writing desire to purchase (after costs disclosed)
- Establish mixed income housing requirement for new construction if residential units had been demolished in past 5 years without using City subsidy
  - San Leandro- 15% must be affordable
  - Roseville- 10% must be affordable w/o city subsidy
  - Fremont- 15% must be affordable in 7+ unit buildings
  - East Palo Alto- 20% of units affordable
- Increase the developers Rental Housing Production Fee (LAMC Sec 12.95.2i) when converting housing from \$500/unit to the cost of building replacement housing
  - Berkeley- amount equal to the increase in value of unit paid to affordable housing fee fund
  - South SF- 5% of sales price or \$5,000, whichever greater
  - Santa Monica- amount equal to 12x monthly maximum allowable rent (or FMR)
  - East Palo Alto- 10% sales price (at rate no less than 90% of appraised value)

<sup>1</sup> CA Gov't Code §7060.7(a) and (b) (The Ellis Act) states that the Act was not intended to (a) "interfere with local governmental authority over land use, including regulation of the conversion of existing housing to condominiums or other subdivided interests..." or (b) "preempt local or municipal environmental or land use regulations, procedures, or controls that govern the demolition and redevelopment of residential property."

**APPENDIX D**  
**LOS ANGELES HOUSING DEPARTMENT (LAHD)**

**1. COMPREHENSIVE RELOCATION PACKAGE**

**Recommendation (Motions 2, 6 & 7):** LAHD recommends a comprehensive relocation package for both condominium conversions and demolitions. The relocation package will require the following:

- A lump sum relocation payment per unit.
- Relocation services to help tenants find replacement housing and ensure landlord/owner compliance with the relocation requirements.
- An administrative fee to cover the LAHD costs of monitoring the relocation service provider.

**A) RELOCATION PAYMENT**

Annual increases to the relocation payment will be tied to the Consumer Price Index (CPI). Regular tenants will receive a relocation payment of \$4,575. Tenants with "Special Protection"\*\*\* will receive an additional payment of \$8,040 for the rent differential between the converted unit and a comparable unit. This differential is calculated for a one year period.

Lump Sum Relocation Payment - Regular Tenant

Calculation Factors	Amount
First Month's Rent*	\$ 1,430
Last Month's Rent *	\$ 1,430
Security Deposit (one half the average rent)	\$ 715
Moving Cost (average cost of moving per LAHD survey)	\$ 1,000
<b>Total lump sum relocation payment</b>	<b>\$ 4,575</b>

- MFP Yieldstar data. Average rental rate for Los Angeles (2<sup>nd</sup> quarter 2006)

Lump Sum Relocation Payment - Tenant with Special Protection\*\*

Calculation Factors	Amount
Total Standard Relocation Payment	\$4,575
Average Rental Rate* (\$1,430)	
Average RSO Rental Rate*** (\$760)	
Difference in Rental Rate (\$1,430 - \$760) = \$670	
Difference in the Rental Rate for 12 months (\$670x12)	\$8,040

<b>Total relocation payment for tenant with special protection</b>	<b>\$12,615</b>
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\* MFP Yieldstar data. Average rental rate for Los Angeles (2<sup>nd</sup> quarter 2006)

\*\*According LAMC, tenants with "Special Protection" are those that fall within any of the following criteria: over the age of 62; handicapped as defined in Section 50072 of the California Health and Safety Code; disabled as defined in Section 223 of the United States Social Security Act; residing with one or more minor dependent children; resident of a low to moderate cost housing unit.

\*\*\* Data for RSO properties was collected from Landlord Declarations submitted to LAHD for the period of 11/05-11/06.

**B) RELOCATION SERVICES**

Relocation services will be offered through a contracted service provider. The estimated cost of these services is \$400 per regular tenant and \$640 per tenant with special protection. A regular tenant will receive an initial interview to identify needs and develop a plan for replacement housing, supportive services during the tenant's active search such as bi-weekly referrals to vacant units (for up to 3 months), relocation check processing and distribution, and a closing interview to determine the outcome of the housing replacement search. Tenants with special protection will receive additional assistance to identify alternative housing options, assistance with paperwork and coordination with government or private agencies, and transportation assistance with the housing search. LAHD contacted a local relocation service provider to obtain sample fee schedules (see below) for the services described.

Relocation Services Contractor Fee Schedule - Regular Tenant

Calculation Factors	Amount
Fee for a Regular Tenant- A maximum of 5 hours per case	\$400
<b>Total contractor fee for a regular tenant</b>	<b>\$400</b>

Relocation Services Contractor Fee Schedule – Tenant with Special Protection

Calculation Factors	Amount
Fee for a Regular Tenant- A maximum of 5 hours per case	\$400
Additional Assistance – A maximum of 3 hours per case	\$240
<b>Total contractor fee for a tenant with special protection</b>	<b>\$640</b>

**C) RELOCATION SERVICES ADMINISTRATIVE FEE**

A fee is required to pay for LAHD staff to monitor and provide administrative oversight of the relocation service provider. The total estimated administrative fee is \$31.00 per unit. The projected staff time requirements are 50% for a Management Analyst I and 50% for a Clerk Typist. The fee will cover the costs associated with the following:

- Processing an RFP and selecting a contractor.
- Contract monitoring such as invoice processing.
- Responding to tenant and landlord queries or complaints.

The calculation of this fee is based on the number of dwelling units removed from the rental market for condominium conversions or demolitions (see below).

Total Dwelling Units Removed

Calculation Factors	Quantity
Dwelling units removed due to demolition (07/01/05 - 06/30/06)* = 2572	
Dwelling units removed due to condo-conversion (2005) = 1025	
Total dwelling units removed = (2572 + 1025) = 3597	
Occupancy rate in dwelling units removed** = 77%	
Number of occupied dwelling units removed = 3597 x .77 = 2770	
<b>Total dwelling units removed monthly (2770/12)</b>	<b>231</b>

\* Permit data from the Department of Building and Safety

\*\* Data for RSO properties was collected from Landlord Declarations submitted to LAHD for the period of 11/05-11/06.

Administrative fee per unit to pay a Management Analyst I position

Calculation Factors	Amount
Management Analyst I yearly cost (including benefits) = \$104,375	
Management Analyst I monthly cost (\$104,375/12) = \$8,698	
Monthly cost for 50% time of a Management Analyst I (\$8698 x .5) = \$4,350	
Total dwelling units removed monthly = 231	
<b>Per unit cost for a Management Analyst I (\$4,350/231)</b>	<b>\$19</b>

Administrative fee per unit to pay a Clerk Typist position

Calculation Factors	Amount
Clerk Typist yearly cost (including benefits) = \$64,761	
Clerk Typist monthly cost (\$64,761/12) = \$5,398	
Monthly cost for 50% time of a Clerk Typist (\$5,398 x .5) = \$2,700	
Total dwelling units removed monthly = 231	
<b>Per unit cost for a Clerk Typist (\$2,700/231)</b>	<b>\$12</b>

**TOTAL Administrative Fee Per Unit**

(Management Analyst \$19) + (Clerk Typist \$12)	<b>\$31</b>
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## 2. DEMOLITION PERMIT MONITORING

**Recommendation (Motions 4, 8a & 10a):** LAHD recommends a demolition permit monitoring process by which LAHD staff would require verification of the landlord's compliance with tenant protections and sign off on all demolition permits for multi-family rental buildings. The Los Angeles Department of Building and Safety (LADBS) requires that an applicant for any demolition permit obtain clearance from LAHD prior to the issuance of a demolition permit. However, this clearance does not verify a landlord's compliance with the notification and relocation protections afforded to tenants under the LAMC. The LAHD's current review is limited to verification of the landlord's filing of the Notice of Intent to Withdraw Units in RSO buildings only. The proposed demolition permit monitoring process would include the following:

- Owner/developer referred by LADBS to LAHD for sign off.  
Application and Affidavit Submission:
  - a. Owner/developer submits to LAHD Clearance Application (listing all units, indicating occupied and vacant).
  - b. Owner/developer submits tenant affidavit attesting to whether the tenant is a regular or a tenant with special protection and receipt of proper relocation amount.
  - c. In the absence of a tenant affidavit, the owner/developer will submit a declaration that the proper relocation amount was paid, proof of deposit in escrow account in tenant's name only. (LAHD to follow up with letter to tenants receiving less than qualified amount or to units marked as vacant with deadline for response).
  
- Payments
  - a. Payment of Demolition Permit Monitoring Fee
  - b. Payment of Relocation Services Contractor Fee plus proof of payment of relocation amount (cancelled check or check plus signed affidavit from tenant or deposit slip into escrow account in the tenant's name only)
  
- LAHD verification that said property owner is indeed the owner of record.

The projected staff time requirements for this monitoring process are 50% for a Management Analyst I and 50% for a Clerk Typist. Both positions would be funded by the Demolition Permit Monitoring Fee described below. The total estimated demolition permit monitoring fee is \$33.00 per unit. The staff duties include:

- Review of declarations, affidavits and relocation amounts.
- Receivership, monitoring and process of fees.
- Response to tenants and owner queries and complaints.
- Follow up and verification with tenants receiving less than qualified amounts and units marked as vacant.
- Verification of owner as being owner of record.

### Total Dwelling Units Demolished

Calculation Factors	Quantity
Dwelling units removed due to demolition (07/01/05 - 06/30/06) = 2572	
<b>Dwelling units demolished monthly (2572/12)</b>	<b>214</b>

Demolition permit fee per unit to pay a Management Analyst I position

Calculation Factors	Amount

Management Analyst I yearly cost (including benefits) = \$104,375	
Management Analyst I monthly cost (\$104,375/12) = \$8,698	
Monthly cost for 50% time of a Management Analyst I (\$8698 x.5) = \$4,350	
Total dwelling units removed monthly = 214	
<b>Per unit cost for a Management Analyst I (\$4,350/214)</b>	<b>\$20</b>

**Demolition permit fee per unit to pay a Clerk Typist position**

<u>Calculation Factors</u>	<u>Amount</u>
Clerk Typist yearly cost = \$64,761	
Clerk Typist monthly cost (\$64,761/12) = \$5,398	
Monthly cost for 50% time of a Clerk Typist (\$5,398 x.5) = \$2,700	
Total dwelling units removed monthly = 231	
<b>Per unit cost for a Clerk Typist (\$2,700/214)</b>	<b>\$13</b>

**Total Demolition Permit Monitoring Fee Per Unit**

<b>(Management Analyst \$20) + (Clerk Typist \$13)</b>	<b>\$33</b>
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**APPENDIX E**

An ordinance creating an improved Tenant Relocation Assistance program and an increased level of assistance payments

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. Paragraph 1 of Subsection G of Section 12.95.2 is hereby amended to read:

**G. Relocation Assistance:**

1. **Requirement.** The Advisory Agency shall require, as a condition of map approval, that the applicant execute and record a covenant and agreement, in a form satisfactory to the Advisory Agency, binding the applicant and any successor in interest to provide relocation assistance in a manner consistent with ~~this Subdivision G. Section 47.06 of the LAMC.~~ The covenant and agreement shall be executed and recorded within ten days after the expiration of the appeal period for tentative map or preliminary parcel map approval and a copy provided to each tenant within five days of recordation. The covenant and agreement shall run to the benefit of any eligible tenant, as defined in Subdivision 2 of this section and shall be enforceable by any such tenant or by the City.

Sec. 2 Paragraph 3 of Subsection G of Section 12.95.2 is hereby amended to read:

3. **Special Protection.** An eligible tenant is entitled to "special protection", as defined in this Subsection G., if tenant ~~satisfies the following criteria of~~ meets the definition of "Qualified Tenant" in Section 47.06 of the LAMC. ~~:- has attained age 62; is handicapped as defined in Section 55072 of the California Health and Safety Code; is disabled as defined in Title 42 United States Code § 423; or is residing with one or more minor dependent children. or is a resident of a low to moderate cost housing unit.~~

Sec. 3. Paragraphs 4, 5, 7, 8, and 10 of Subsection G of Section 12.95.2 are hereby deleted.

Sec. 4. Paragraph 6 of Subsection G of Section 12.95.2 is hereby renumbered as paragraph 4 and amended to read:

**¶ 4. Continued Tenancy Pending Relocation; Eviction; Review Procedure.** Until each eligible tenant is successfully relocated pursuant to the provisions of this subsection and/or Sections 47.06, 47.07, 151.09, and 163.05 of the L.A.M.C., the tenant shall be permitted to reside in the unit presently occupied in the conversion project. There shall be no time limit for such continued tenancy for each tenant qualified for "special protection," as defined in Subdivision 3 of this Subsection G. In all other cases, the subdivider is not required to consent to continued tenancy beyond twelve months from the date of tentative map or preliminary parcel map approval or the date on which the ~~120-180~~-day notice of intent to convert is given to all tenants, whichever is the later.

A An eligible tenant may be evicted, notwithstanding the paragraph above, for the following reasons only:

- a. The tenant has failed to pay the rent to which the landlord is entitled.
- b. The tenant has violated an obligation or covenant of the tenancy, other than the obligation to surrender possession upon proper notice and has failed to cure such violation after having received written notice thereof from the landlord.
- c. The tenant is committing or permitting to exist a nuisance in or is causing damage to, the rental unit or to the appurtenances thereof, or to the common areas of the property containing the rent unit, or is creating an unreasonable interference with the comfort, safety, or enjoyment of any of the other residents of the same or adjacent building.
- d. The tenant is using or permitting a rental unit to be used for any illegal purpose.
- e. The tenant who had a written lease or rental agreement which terminated on or after November 10, 1979, has refused, after written request or demand by the landlord, to execute a written extension or renewal thereof for a further term or like duration with similar provisions and in such terms as are not inconsistent with or violate of any provision of this subsection.
- f. The tenant has refused the landlord reasonable access to the unit for the purpose of making repairs or improvements, or for the purpose of inspection as permitted or required by the lease or by law, or for the purpose of showing the rental unit to any prospective purchaser or mortgagee.
- g. The person in possession of the rental unit at the end of the lease term is a subtenant not approved by the landlord.

Any dispute regarding an eligible tenant's right to continue tenancy pursuant to this Subdivision 5 4 may be heard by the Advisory Agency when application for such review is made by the subdivider or an eligible tenant. The Advisory Agency may release the applicant from further compliance with a relocation assistance plan with respect to any eligible tenant where it finds that the tenant is not entitled to continued tenancy pursuant to the provisions of this Subdivision 6 4.

Sec. 5. Paragraph 9 of Subsection G of Section 12.95.2 is renumbered as Paragraph 5

**9 5. Dispute Resolution.** The covenant and agreement provided for herein shall establish an expeditious mechanism to resolve any disputes among tenants, the applicant and the City concerning the interpretation or application of the covenant and agreement.

Sec. 6. Section 47.06 of the Los Angeles Municipal Code is amended to read:

**SEC. 47.06. TENANT RELOCATION ASSISTANCE WHERE APARTMENTS ARE TO BE CONVERTED.**

**A. Statement of Purposes.** At the present time, there is a critically short supply of rental housing in the City of Los Angeles. Many rental housing units have been removed from the rental market through conversion to condominiums, stock cooperatives, community apartment projects, hotels and commercial uses. Tenants who are evicted due to conversion are experiencing serious difficulties in locating comparable replacement rental housing. These difficulties are particularly acute for elderly tenants and those with physical limitations, particularly the handicapped and disabled. In addition, families with minor dependent children face greater relocation difficulties than families without such children.

The City's condominium conversion ordinance addresses these grave public health and welfare problems in the context of new conversions of existing rental units to various forms of divided ownership. However, that ordinance does not provide assistance to tenants displaced due to the conversion of their rental units to condominiums, stock cooperatives or community apartment projects exempted from the new conversion ordinance, or to hotels. Additionally, in some instances tenants displaced due to conversions already approved by the City (under the previous conversion ordinance) are not receiving relocation assistance, yet often face similar relocation difficulties.

Since the conversion of rental units to condominiums, stock cooperatives, community apartment projects, hotels and commercial uses is a substantial cause of the rental housing shortage, the City Council finds and declares that it would be just and proper for the subdividers who may enjoy the benefits of such conversions to assist tenants who are displaced by the conversion activity and who otherwise would be forced to bear the burdens of displacement without any assistance. The Council also finds that the necessity for relocation assistance is significantly less for the tenants of luxury apartment units.

**B. Definitions.** For purposes of this section, the definitions in Section 12.03 of this Code and the following definitions shall apply:

**Landlord:** An owner, lessor, or sublessor, (including any person, firm, corporation, partnership, or other entity) who receives or is entitled to receive rent for the use of any rental unit, or the agent, representative or successor of any of the foregoing.

**Notice of Termination:** The notice of intention to terminate tenancy, whether given by a landlord or by a tenant, provided for by California Civil Code Section 1946.

**Qualified Tenant:** Any tenant who satisfies any of the following criteria on the date said tenant gives or receives a Notice of Termination: has attained age 62; is handicapped as defined in Section 50072 of the California Health and Safety Code; is disabled as defined Title 42 United States Code 423; or is a person residing with and on whom is legally dependent (as determined for federal income tax purposes) one or more minor children.

**Relocation Service Provider:** A company that specializes in relocation assistance and has a contract with the City of Los Angeles for the delivery of such services.

**Rental Unit:** Each dwelling unit, efficiency dwelling unit, guest room, and suite in the City of Los Angeles, as defined in Section 12.03 of this Code, together with the land and buildings appurtenant thereto, and all housing services, privileges, furnishings and facilities supplied in connection with the use or occupancy thereof, including garage and parking facilities. The term shall not include:

1. A one-family dwelling, except where three or more dwelling units are located on the same lot;
2. Housing accommodations in hotels, motels, inns, tourist homes and boarding and rooming houses, provided that at such time as an accommodation has been occupied by one or more of the same tenants for sixty 60 days or more such accommodation shall become a rental unit subject to the provisions of this section.
3. Housing accommodations in any hospital, convent, monastery, extended medical care facility, asylum, nonprofit home for the aged, fraternity or sorority house, or housing accommodations owned, operated or managed by an institution of higher education, a high school or an elementary school for occupancy by its students.
4. Housing accommodations which a government unit, agency or authority owns, operates, or manages, or which are specifically exempted from municipal rent regulation by state or federal law or administrative regulation.
5. Luxury housing accommodations wherein as of May 31, 1978 the rent charged per month was at least \$302 for a unit with no bedrooms, \$420 for a unit with one bedroom; \$588 for a unit with two bedrooms; \$756 for a unit with three bedrooms; and \$823 for a unit with four bedrooms or more.
6. Mobile home.

**Tenant:** A tenant, subtenant, lessee, sublessee, or any other person entitled to use or occupancy of a rental unit. Tenant does not include any person who:

- (1) is residing in a conversion project and intends to purchase a unit in such project after conversion has been accomplished, or who intends to reside with such a purchaser, or
- (2) received actual written notice, prior to entering into a written or oral agreement to become a tenant, that an application to convert the building to a condominium, stock cooperative or community apartment project was on file with the City or had already been approved, whichever the case may be.

**C. Relocation Assistance Required.** In connection with the conversion of a building into a condominium, community apartment or stock cooperative, as those terms are defined in California Government Code and Business and Professions Code, or into a hotel or apartment hotel or to a use permitted in any commercial zone, the landlord shall pay the City of Los Angeles a fee for the purpose of providing relocation assistance by the City's Relocation Assistance Service Provider to each tenant in accordance with Subsection D. The fee shall be \$640 for each unit occupied by a qualified tenant and \$400 for each unit occupied by other tenants, and an additional \$31 per unit to pay for the administrative costs associated with this service. The fees may be adjusted annually by the Housing Department, pursuant to appropriate documentation regarding the costs to provide such services. This subsection shall not apply where a subdivision map application for condominiums, stock cooperative or community apartment purposes was filed for approval with the City prior to the issuance of the

original certificate of occupancy for the building. A landlord's obligation to comply with Subsection D does not exist prior to the time the landlord gives the notice of intention to convert required by Government Code Section 66427.1.

**D. Relocation Assistance.** Relocation assistance, where required by the preceding subsection, shall be provided in accordance with the following provisions.

**1. Landlord's Responsibility.**

a. The landlord shall pay a fee to the City of Los Angeles so that a Relocation Assistance Provider will:

(1) Make available to each tenant, at no cost, a reasonably complete and current list of vacant and available rental units within a one and one half mile radius of the building being converted, which units are comparable as to size and amenities to the unit occupied by the tenant, and

(2) Make a reasonable and good faith effort to assure that tenants without cars are driven, at no cost, and tenants with cars are assisted, in order to inspect replacement rental units, and

(3) Hire an ambulance or similar vehicle, at no cost to the tenant, and otherwise take reasonable steps to assist any disabled or handicapped tenant with relocation-related activities, and

b. (4) Pay a relocation fee of \$8,000 12,615 to qualified tenants and a \$3,200 4,575 fee to all other tenants in order to assist the tenants in meeting costs of relocation, higher rents for replacement housing, and any related expenses. For the year beginning July 1, 2005 and all subsequent years, the fee amounts shall be adjusted on an annual basis pursuant to the formula set forth in Section 151.06 D. The adjusted amount shall be rounded to the nearest fifty dollar increment.

This payment shall be made as follows:

~~(a)(1)~~ The entire fee shall be paid to a tenant who is the only tenant in a rental unit;

~~(b) (2)~~ If a rental unit is occupied by two or more tenants, any one of whom is a qualified tenant, then each tenant of the unit shall be paid a pro-rata share of the \$8,000 12,615 fee;

~~(c) (3)~~ If a rental unit is occupied by two or more tenants, none of whom is a qualified tenant, then each tenant of the unit shall be paid a pro-rata share of the \$3,200 4,575 fee.

In no event shall the landlord be liable to pay more than \$8,000 12,615 to all tenants residing in a unit in which at least one qualified tenant lives, or to pay more than \$3,200 4,575 to all tenants residing in a unit in which no tenant is a qualified tenant. If a tenant is entitled to monetary relocation benefits pursuant to City administrative agency action or any provision of local, state or federal law, then those benefits shall operate as a credit against any fee required to be paid to the tenant under this section.

~~b. c. In lieu of the assistance provided for in Paragraph a. above, the landlord may elect to relocate any tenant into a comparable replacement rental unit satisfactory to the tenant and pay all actual costs of relocating the tenant up to a maximum of \$8,000 12,615 per household. A tenant may not unreasonably withhold approval of a replacement rental unit offered by the landlord. For purposes of this provision only, comparability shall be determined from the following factors: size; price; location; proximity to medical and recreational facilities, parks, community centers, shops, transportation, schools, churches, and synagogues; and amenities.~~

## 2. When Assistance Shall be Provided.

a. ~~List of Available Rental Units.~~ **Payment for Relocation Assistance Service Provider.** The landlord shall perform the acts described in Subparagraph (1) of Paragraph a of Subdivision 1 above for the period beginning on or before the service of the 180 days notice of intention to convert, until the date of termination set forth in the Notice of Termination.

b. ~~Transportation.~~ The landlord shall perform the acts described in Subparagraphs (2) and (3) of Paragraph a of Subdivision 1 above for the period beginning on or before the service of the 180 days notice of intention to convert described in Government Code Section 66427.1(c), until the date of termination set forth in the Notice of Termination.

e. ~~b.~~ **Monetary Assistance.** The landlord shall perform the acts described in Subparagraph 4 of Paragraph a b of Subdivision 1 above within 15 days of service of the Notice of Termination.

d. ~~Replacement Housing.~~ In lieu of the acts described in Paragraph a of Subdivision 1 above, the landlord may perform the acts described in Paragraph b of Subdivision 1 within 15 days of service of the 180 days notice of intention to convert described in Government Code Section 66427.1(c).

E. **Civil Remedies.** In an action by a landlord to recover possession of a rental unit, a tenant may raise as an affirmative defense the failure of the landlord to comply with Subsection D of this section. In addition, any landlord who fails to provide monetary relocation assistance to a tenant as required by this section shall be liable in a civil action to the tenant to whom such assistance is due for damages in the amount the landlord has failed to pay, together with reasonable attorney fees and costs as determined by the court.

### F. Applicability.

1. This section, as enacted in Ordinance No. 153,251, shall apply to judicial proceedings to recover possession of a rental unit occupied by a qualified tenant commenced on or after December 15, 1979 and before April 1, 1980.

2. This section, as amended herein, shall apply to judicial proceedings to recover possession of a rental unit occupied by a tenant commenced on or after April 1, 1980.

Sec. 7. Section 47.07 of the Los Angeles Municipal Code is amended to read:

## **SEC. 47.07. TENANT RELOCATION ASSISTANCE WHERE APARTMENTS ARE TO BE DEMOLISHED.**

A. **Statement of Purpose.** The provisions of this section are intended to provide relocation assistance to tenants facing eviction due to demolition or removal of their building to another site. Such assistance is required for the reasons stated in Section 47.06.

B. **Definitions.** For purposes of this section, the definitions in Section 12.03 of this Code and the following definitions shall apply:

**Landlord:** An owner, lessor, or sublessor, (including any person, firm, corporation, partnership, or other entity) who receives or is entitled to receive rent for the use of any rental unit, or the agent, representative or successor of any of the foregoing.

**Notice of Termination:** The notice of intention to terminate tenancy, whether given by a landlord or by a tenant, provided for by California Civil Code Section 1946.

**Qualified Tenant:** Any tenant who satisfies any of the following criteria on the date said tenant gives or receives a Notice of Termination: has attained age 62; is handicapped as defined in Section 50072 of the California Health and Safety Code; or is disabled as defined in Title 42 United States Code 423; or is a person residing with and on whom is legally dependent (as determined for federal income tax purposes) one or more minor children.

**Relocation Service Provider:** A company that specializes in relocation assistance and has a contract with the City of Los Angeles for the delivery of such services.

**Rental Unit:** Each dwelling unit, efficiency dwelling unit, guest room, and suite in the City of Los Angeles, as defined in Section 12.03 of this Code, together with the land and buildings appurtenant thereto, and all housing services, privileges, furnishings and facilities supplied in connection with the use or occupancy thereof, including garage and parking facilities. The term shall not include:

1. A one-family dwelling, except where three or more dwelling units are located on the same lot.
2. A two family dwelling, provided that one dwelling unit therein is occupied by a record owner of the property.
3. An apartment house or apartment hotel, provided that such house or hotel contains at most three dwelling units and one such dwelling unit is occupied by a record owner of the property.
4. Housing accommodations in hotels, motels, inns, tourist homes and boarding and rooming houses, provided that at such time as an accommodation has been occupied by one or more of the same tenants for sixty 60 days or more such accommodation shall become a rental unit subject to the provisions of this section.
5. Housing accommodations in any hospital, convent, monastery, extended medical care facility, asylum, nonprofit home for the aged, fraternity or sorority house, or housing accommodations owned, operated or managed by an institution of higher education, a high school or an elementary school for occupancy by its students.
6. Housing accommodations which a government unit, agency or authority owns, operates, or manages, or which are specifically exempted from municipal rent regulation by state or federal law or administrative regulation.
7. Luxury housing accommodations wherein as of May 31, 1978 the rent charged per month was at least \$302 for a unit with no bedrooms, \$420 for a unit with one bedroom; \$588 for a unit with two bedrooms; \$756 for a unit with three bedrooms; and \$823 for a unit with four bedrooms or more.
8. Mobile home.

**Tenant:** A tenant, subtenant, lessee, sublessee, or any other person entitled to use or occupancy of a rental unit. Tenant does not include any person who received actual written notice, prior to entering into a written or oral tenancy agreement, that an application to subdivide the property for condominium, stock cooperative or community apartment purposes was on file with the city or had already been approved, whichever the case may be, and that the existing building would be demolished or relocated in connection with the proposed new subdivision.

**C. Relocation Assistance Required.** The landlord shall pay the City of Los Angeles a fee for the purpose of providing relocation assistance by the City's Relocation

Assistance Service Provider to each tenant in accordance with Subsection D in connection with the demolition of a building or its relocation to another site for either of the following purposes:

(1) to construct a new condominium, stock cooperative or community apartment project on the site, or

(2) to use the property for any commercial purpose. Where a landlord is required, pursuant to a condition of approval of a subdivision map, to give a tenant a notice of intention to demolish, the landlord's obligation to comply with this Section does not exist prior to the giving of such notice.

The fee shall be \$640 for each unit occupied by a qualified tenant and \$400 for each unit occupied by other tenants, and an additional \$31 per unit to pay for the administrative costs associated with this service. The fees may be adjusted annually by the Housing Department, pursuant to appropriate documentation regarding the costs to provide such services.

**D. Relocation Assistance.** Relocation assistance, where required by the preceding subsection, shall be provided in accordance with the following provisions.

**1. Landlord's Responsibility.**

a. The landlord shall pay a fee to the City of Los Angeles so that a Relocation Assistance Provider will:

(1) Make available to each tenant, at no cost, a reasonably complete and current list of vacant and available rental units within a one and one half mile radius of the building being converted, which units are comparable as to size and amenities to the unit occupied by the tenant, and

(2) Make a reasonable and good faith effort to assure that tenants without cars are driven, at no cost, and tenants with cars are assisted, in order to inspect replacement rental units, and

(3) Hire an ambulance or similar vehicle, at no cost to the tenant, and otherwise take reasonable steps to assist any disabled or handicapped tenant with relocation-related activities, and

b. (4) Pay a relocation fee of \$8,000 12,615 to qualified tenants and a \$3,200 4,575 fee to all other tenants in order to assist the tenants in meeting costs of relocation, higher rents for replacement housing, and any related expenses. For the year beginning July 1, 2005 and all subsequent years, the fee amounts shall be adjusted on an annual basis pursuant to the formula set forth in Section 151.06 D. The adjusted amount shall be rounded to the nearest fifty dollar increment.

This payment shall be made as follows:

(a) The entire fee shall be paid to a tenant who is the only tenant in a rental unit;

(b) If a rental unit is occupied by two or more tenants, any one of whom is a qualified tenant, then each tenant of the unit shall be paid a pro-rata share of the \$8,000 12,615 fee;

(c) If a rental unit is occupied by two or more tenants, none of whom is a qualified tenant, then each tenant of the unit shall be paid a pro-rata share of the \$3,200 4,575 fee.

In no event shall the landlord be liable to pay more than \$8,000 12,615 to all tenants residing in a unit in which at least one qualified tenant lives, or to pay more than \$3,200 4,575 to all tenants residing in a unit in which no tenant is a qualified tenant. If a tenant is entitled to monetary relocation benefits pursuant to City administrative agency action



or any provision of local, state or federal law, then those benefits shall operate as a credit against any fee required to be paid to the tenant under this section.

- b. ~~e.~~ ~~In lieu of the assistance provided for in Paragraph a. above, the landlord may elect to relocate any tenant into a comparable replacement rental unit satisfactory to the tenant and pay all actual costs of relocating the tenant up to a maximum of \$8,000 12,615 per household. A tenant may not unreasonably withhold approval of a replacement rental unit offered by the landlord. For purposes of this provision only, comparability shall be determined from the following factors: size; price; location; proximity to medical and recreational facilities, parks, community centers, shops, transportation, schools, churches, and synagogues; and amenities.~~

## 2. When Assistance Shall Be Provided

a. ~~List of Available Rental Units.~~ **Payment for Relocation Assistance Service Provider.** The landlord shall perform the acts described in Subparagraph (1) of Paragraph a of Subdivision 1 above for the period beginning on or before service of either the 120 days notice of intent to demolish required as a condition of approval of condominium tract maps, or the Notice of Termination, whichever occurs first, until the date of termination set forth in the Notice of Termination.

b. ~~Transportation.~~ The landlord shall perform, via a Relocation Assistance Provider, the acts described in Subparagraphs (2) and (3) of Paragraph a of Subdivision 1 above for the period beginning on or before the service of either the 120 days notice of intent to demolish required as a condition of approval of the condominium tract map or the service of the Notice of Termination, whichever occurs first, until the date of termination set forth in the Notice of Termination.

c. **Monetary Assistance.** The landlord shall provide, the assistance described in Subparagraph (4) of Paragraph (a) (b) of Subdivision 1 above, within 15 days of service of the Notice of Termination.

d. ~~Replacement Housing.~~ In lieu of the acts described in Paragraph a of Subdivision 1 above, the landlord may provide, the assistance described in Paragraph b of Subdivision 1 above within 15 days of service of either the Notice of Termination or the 120 days notice of intention to demolish required as a condition of approval of condominium tract maps, whichever occurs first.

**E. Civil Remedies.** In an action by a landlord to recover possession of a rental unit, a tenant may raise as an affirmative defense the failure of the landlord to comply with Subsection D of this section. In addition, any landlord who fails to provide monetary relocation assistance to a tenant as required by this section shall be liable in a civil action to the tenant to whom such assistance is due for damages in the amount the landlord has failed to pay, together with reasonable attorney's fees and costs as determined by the court.

## F. Applicability.

### 1. Generally.

a. This section, as enacted in Ordinance No. 153,281 and amended by Ordinance No. 153,312, shall apply to judicial proceedings to recover possession of a rental unit occupied by a tenant commenced on or after December 19, 1979 and before April 1, 1980.

b. This section, as amended herein, shall apply to judicial proceedings to recover possession of a rental unit occupied by a tenant commenced on or after April 1, 1980.

2. **Exceptions.** This section shall not apply in any of the following circumstances:

- a. The building is constructed of unreinforced masonry construction and was built pursuant to a building permit issued prior to October 1, 1933.
- b. The building is to be demolished pursuant to a demolition order issued by the Department of Building and Safety under authority set forth in Division 89 of Chapter IX of this Code.
- c. The building is to be demolished or relocated pursuant to a plan to construct on that property housing for low to moderate income households, which housing is to be developed, constructed or acquired with federal, state or local government financial assistance.

Sec. 8. Section 151.09 of the Los Angeles Municipal Code is amended to read:

**SEC. 151.09. EVICTIONS.**

**G.** If the termination of tenancy is based on the grounds set forth in Subdivisions 8., 10., 11., or 12. of Subsection A. of this section, then the landlord shall pay a relocation fee of ~~\$8,000~~ 12,615 to qualified tenants and a ~~\$3,200~~ 4,575 fee to all other tenants. For the year beginning July 1, 2005 and all subsequent years, the fee amounts shall be adjusted on an annual basis pursuant to the formula set forth in Section 151.06 D. of this Code. The adjusted amount shall be rounded to the nearest fifty dollar increment.

1. This payment shall be made as follows:
  - a. The entire fee shall be paid to a tenant who is the only tenant in a rental unit;
  - b. If a rental unit is occupied by two or more tenants, any one of whom is a qualified tenant, then each tenant of the unit shall be paid a pro-rata share of the ~~\$8,000~~ 12,615 fee;
  - c. If a rental unit is occupied by two or more tenants, none of whom is a qualified tenant, then each tenant of the unit shall be paid a pro-rata share of the ~~\$3,200~~ 4,575 fee.
  - d. In no event shall the landlord be liable to pay more than ~~\$8,000~~ 12,615 to all tenants residing in a unit in which at least one qualified tenant lives, or to pay more than ~~\$3,200~~ 4,575 to all tenants residing in a unit in which no tenant is a qualified tenant.
  - e. Nothing in this subsection relieves the landlord from the obligation to provide relocation assistance pursuant to City administrative agency action or any other provision of local, state or federal law. If a tenant is entitled to monetary relocation benefits pursuant to City administrative agency action or any other provision of local, state or federal law, then such monetary benefits shall operate as a credit against monetary benefits required to be paid to the tenant under this subsection.

f. If the termination of tenancy is based on the grounds set forth in Subdivision 10 of Subsection A of this section, then the landlord shall also pay the City of Los Angeles a fee for the purpose of providing relocation assistance by the City's Relocation Assistance Service Provider, as defined in LAMC Sections 47.06.B and 47.07.B. The fee shall be \$640 for each unit occupied by a qualified tenant and \$400 for each unit occupied by other tenants, and an additional \$31 per unit to pay for the administrative costs associated with this service. The fees may be adjusted annually by the Housing Department pursuant to appropriate documentation regarding the costs to provide such services. The Relocation Assistance Services Provider will provide the relocation assistance services listed in LAMC Sections 47.06.D.1 and 47.07.D.1.

2. The landlord shall perform the acts described in this subsection within fifteen days of service of a written notice of termination described in California Civil Code Section 1946; provided, however, the landlord may in its sole discretion, elect to pay the monetary relocation benefits to be paid to a tenant pursuant to this subsection to an escrow account to be disbursed to the tenant upon certification of vacation of the rental housing unit. The escrow account shall provide for the payment prior to vacation of all or a portion of the monetary relocation benefits for actual relocation expenses incurred or to be incurred by the tenant prior to vacation, including but not limited to security deposits, moving expense deposits and utility connection charges. Escrow accounts shall provide that, in the event of disputes between the landlord and the tenant as to the release of funds from escrow, the funds in dispute shall be released to the Department for final determination. The Rent Adjustment Commission shall establish guidelines for the establishment of these escrow accounts, the certification of vacation and pre-vacation disbursement requests.

3. The requirement to pay relocation assistance is applicable to all rental units, regardless of whether the rental unit was created or established in violation of any provision of Law.

4. **Exceptions.** This subsection shall not apply in any of the following circumstances:

a. (None)

b. The tenant received actual written notice, prior to entering into a written or oral tenancy agreement, that an application to subdivide the property for condominium, stock cooperative or community apartment purposes was on file with the City or had already been approved, whichever the case may be, and that the existing building would be demolished or relocated in connection with the proposed new subdivision, and the termination of tenancy is based on the grounds set forth in Subdivision 10. of Subsection A. of this section.

c. The tenant received actual written notice, prior to entering into a written or oral agreement to become a tenant, that an application to convert the building to a condominium, stock cooperative or community apartment project was on file with the City or had already been approved, whichever the case may be, and the termination of tenancy is based on the grounds set forth in Subdivision 10. of Subsection A. of this section.

d. The landlord seeks in good faith to recover possession of the rental unit for use and occupancy by a resident manager, provided that the resident manager is replacing the existing resident manager in the same unit. For the purposes of this exception, a resident manager shall not include the landlord, or the landlord's spouse, children or parents;

e. The landlord seeks in good faith to recover possession of the rental unit in order to comply with a governmental agency's order to vacate the building housing the rental unit due to hazardous conditions caused by a natural disaster.

Sec. 9. Section 163.05 of the Los Angeles Municipal Code is amended to read:

#### SEC. 163.05. AMOUNT OF RELOCATION BENEFITS

The relocation payment shall be made available by the landlord to the tenant in each residential unit and shall not exceed ~~\$8,000~~ 12,615 for qualified tenants and ~~\$3,200~~ 4,575 for all other tenants or the sum equal to two months of the established fair market rent for the Los Angeles/Long Beach area as determined by the Department of Housing and Urban Development pursuant to Section 1437(f) of Title 42 of the United States Code, whichever is greater.

Beginning on July 1, 2005, the relocation amount for qualified and all other tenants shall be adjusted on an annual basis pursuant to the formula set forth in Section 151.06 D. The adjusted amount shall be rounded to the nearest fifty dollar increment. If the relocation payment is based on the established fair market rent for the Los Angeles/Long Beach area as determined by the Department of Housing and Urban Development pursuant to Section 1437(f) of Title 42 of the United States Code, then the relocation payment shall also include an amount, as determined by the Enforcement Agency, sufficient for utility service deposits. The relocation benefits shall be paid by the landlord in addition to the return, as required by law, of any security deposits held by the owner. The relocation payment shall be made on a per residential unit basis.

**APPENDIX F**

An ordinance creating a citywide annual cap on the number of approved condominium conversion units

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. A new paragraph 8 is hereby added to Subsection F of Section 12.95.2 of the LAMC to read:

8. A citywide maximum of 734 units is hereby established as an annual cap of units approved for conversion in residential or residential to commercial/industrial conversion projects. The Advisory Agency shall approve no tentative map or preliminary parcel map that creates a unit which exceeds this cap. All applications for condominium conversion projects which meet the requirements of this Section 12.95.2 shall be selected for approval by the Advisory Agency on a quarterly basis in a publicly held lottery. The Advisory Agency shall select qualified projects from two pools of applications until the total number of units meets one-fourth of the annual cap: first to be selected will be those that projects that set aside 20 percent of the units for sale to low- or very-low income households; all remaining projects shall be selected subsequently. Fractions greater or equal to .5 shall be rounded up and fractions smaller than .5 shall be rounded down.

**APPENDIX G**

An ordinance providing relocation assistance payments for tenants who voluntarily move from a unit proposed for condominium conversion

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. Subparagraph (4) of Paragraph a of Subsection 1 of Section D of Section 47.06 of the Los Angeles Municipal Code is renumbered and amended to read:

**D. Relocation Assistance.** Relocation assistance, where required by the preceding subsection, shall be provided in accordance with the following provisions.

**1. Landlord's Responsibility.**

a. The landlord shall pay a fee to the City of Los Angeles so that a Relocation Assistance Provider will:

(1) Make available to each tenant, at no cost, a reasonably complete and current list of vacant and available rental units within a one and one half mile radius of the building being converted, which units are comparable as to size and amenities to the unit occupied by the tenant, and

(2) Make a reasonable and good faith effort to assure that tenants without cars are driven, at no cost, and tenants with cars are assisted, in order to inspect replacement rental units, and

(3) Hire an ambulance or similar vehicle, at no cost to the tenant, and otherwise take reasonable steps to assist any disabled or handicapped tenant with relocation-related activities, and

b. (4) Pay a relocation fee of ~~\$8,000~~ 12,615 to qualified tenants and a ~~\$3,200~~ 4,575 fee to all other tenants, including tenants who move subsequent to approval of a tentative parcel or tract map and prior to receiving a Notice of Termination of Tenancy, in order to assist the tenants in meeting costs of relocation, higher rents for replacement housing, and any related expenses. For the year beginning July 1, 2005 and all subsequent years, the fee amounts shall be adjusted on an annual basis pursuant to the formula set forth in Section 151.06 D. The adjusted amount shall be rounded to the nearest fifty dollar increment.

**APPENDIX H**

An ordinance amending the Rental Housing Production fee

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. Paragraph 1 of Subsection K of Section 12.95.2 of the Los Angeles Municipal Code is amended to read:

1. As a condition of tentative map or preliminary parcel map approval, the Advisory Agency shall require that the applicant or his successor in interest pay to the City a fee of \$1 492 for each unit in a residential or residential to commercial/industrial conversion project, based on the number of units in the project prior to conversion. This fee shall be paid prior to approval of the Final Map by the City Engineer.

## **APPENDIX I**

An ordinance amending Section 47.07 of the Los Angeles Municipal Code relating to a monitoring program for tenant relocation benefits for demolitions.

### **THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:**

Section 1. Subsection E of Section 47.07 of the Los Angeles Municipal Code is amended to read:

**E. Monitoring Program.** Prior to issuance of a demolition permit, the landlord shall provide proof of compliance with the relocation assistance requirements of this section on a form provided by the Housing Department. The form shall be accompanied by a fee of \$33.00 per unit.